



March 3, 2024

Representative Greg Davids, Chair
House Taxes Committee
2nd Floor, Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Chair Davids and Members of the House Taxes Committee:

We are writing to inform you the Minnesota AFL-CIO supports the tax exemption for the construction of data centers and certain equipment, HF 1277. Passage of HF1277, as introduced, will put us on par with the neighboring states of Illinois and Iowa, not to mention dozens of other states.

It is true that large numbers of construction jobs will be created. Research shows, however, that data centers share a pool of high technology jobs with industries like architecture, engineering, computer system designers, software engineers, scientific research and development, technical consulting, and telecommunications.

The position for tax incentives for the construction of data centers was adopted at the Minnesota AFL-CIO 57th Constitutional Convention in Duluth via a resolution that was unanimously passed by convention delegates. The Convention was held September 22-24, 2024 and the resolution passed on September 23, 2024. The resolution "Resolves" read in part:

Resolved: That we support the adoption of state tax policies that allow for sales tax exemptions for the construction of data centers; and be it further

Resolved: The state government will develop and implement tax exemption policies that are clear, consistent, and competitive, providing certainty and predictability for data center developers and investors, and be it further

Resolved: Provisions to promote the use of energy-efficient technologies and renewable energy sources in the construction and operation of data centers, and be it further

Resolved: That the state government will collaborate with industry stakeholders, local communities, the economic development organizations to maximize the benefits of data center investments, including job creation, workforce development, strong labor protections and technological innovation....



Again, the Minnesota AFL-CIO supports HF 1277 as introduced. Thank you for your time and please contact us should you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bernie Burnham".

Bernie Burnham
President

A handwritten signature in black ink, appearing to read "Brad Lehto".

Brad Lehto
Secretary-Treasurer